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TAGS: [PGOV](#) [PREL](#) [PINR](#) [OEXC](#) [KDEM](#) [BL](#)
SUBJECT: VICE MINISTER FIRED FOR U.S. IV VISIT

REF: 08 LA PAZ 1023

Classified By: A/EcoPol Chief Brian Quigley for reasons 1.4 (b)(d)

11. (C) Summary: Vice Minister for Basic Services Gustavo Morales was fired last month for participating in a USG-sponsored International Visitor program. VM Morales said his former boss Minister of Water Rene Orellana and Minister of Government Juan Ramon Quintana approached President Evo Morales shortly after he departed on the January International Visitor (IV) trip to accuse VM Morales of using the trip to receive instructions to spy on the Bolivian government. This is not the first sign of GOB suspicions of our IV and other PAS programs, making potential MAS-aligned candidates leery to participate. End Summary.

Quintana and Orellana: Vice Minister is "Goldberg's Spy"

12. (C) While participating in a U.S. International Visitor (IV) program January 10-30 ("Transition to a New Administration"), Vice Minister (VM) for Basic Services Gustavo Morales (strictly protect) learned his position had ceased to exist. Upon returning from the program, VM Morales confronted Minister of Water Rene Orellana, his old boss, to determine if the change was part of a ministry re-organization or politically motivated. Orellana told him he was fired for "going to United States at the express invitation of (former U.S. Ambassador to Bolivia Philip) Goldberg." Orellana alleged that VM Morales was being recruited to spy for the United States, that Ambassador Goldberg was working behind the scenes with the incoming Obama Administration to organize a revamped spy network in Bolivia, and that the IV program was a front for VM Morales to "receive his orders."

13. (C) On February 8, President Evo Morales' secretary called VM Morales to ask him to accompany President Morales at a Santa Cruz event regarding the history of the MAS party and arrange a separate, later meeting with him at the Presidential Palace. The secretary confided to VM Morales that shortly after he left on the IV trip, Orellana had accused him of spying to President Morales. President Morales allegedly did not believe him and asked for "proof"

(Note: the Vice Minister and the President have a friendship dating back to mid-1990s MAS organization. End Note.)
Orellana returned days later with Presidency Minister Juan Ramon Quintana, who brought the IV program invitation letter with him as supposed "proof."

With Friends Like the MAS...

14. (C) VM Morales strongly suspects Quintana obtained the IV invitation letter from Foreign Minister David Choquehuanca. VM Morales had asked Choquehuanca if he was comfortable with the trip initially during the Spring of 2008, again in person (December 30) and finally via telephone (January 9). In all cases, Choquehuanca had agreed the visit seemed innocuous and approved it. After the IV visit, Choquehuanca has not returned VM Morales' e-mails or phone calls despite their long friendship. VM Morales said he felt betrayed by Choquehuanca, particularly considering VM Morales had often fought for him in the past. Most significantly, VM Morales claimed he helped Choquehuanca obtain a four-month position to the board of directors for IPSAS, the El Alto water company, which netted Choquehuanca about \$1.5 million in kickbacks.

15. (C) VM Morales said the experience revealed to him how "low these people really are." He claimed he would explain to President Morales the truth of the situation, but would neither "beg forgiveness" nor "try to get back in with these people. ... I have no desire to work with these scheming pigs anymore."

IV Trip was Last Straw

16. (C) VM Morales said although the IV trip was the catalyst for his dismissal, there were clear signs previously that Orellana wanted to get rid of him. VM Morales said Orellana was angry that Morales was making his other two Vice Ministers, Orellana cronies, look bad. VM Morales said his Vice Ministry was spending 95 percent of its monthly budget by December, while the rate was 9.5 percent in July, when he took over. By comparison the other Vice Ministers were able to spend 37 and 52 percent of their budgets. VM Morales was disappointed that Orellana rejected out of hand his ideas to improve the ministry's efficiency and limit corruption, he suspects at least partially to protect his own sources of graft. VM Morales claimed Orellana had practically "begged" him to take the VM position, promising to make Morales his successor after becoming Minister of the Environment (which he did officially February 8).

17. (C) By December, Orellana stopped meeting with VM Morales privately, canceled his official cellular phone account, and denied him use of the ministry's motor pool. VM Morales said he further incurred Orellana's wrath by writing a report critical of the ministry's organization, particularly pointing out how to fix potential vulnerabilities to corruption. He attempted to send the report to President Morales directly in December, but it was intercepted by Quintana and revealed to Orellana. Although he eventually got the report into President Morales' hands "using other contacts," the damage was done with Orellana. He expected some kind of reprisal, but not to be fired. "I learned in this government, you are punished for either being very productive or a complete failure. Only mediocrity is rewarded."

Trip was "Worth It"

18. (C) Ultimately, VM Morales said he has no regrets: "I knew what I was getting into." VM Morales told PolOff in December that he suspected the trip "would put me in a bad situation," but that he expected the worst that would happen is "Evo would yell at me a bit." VM Morales said the trip "was worth the punishment" and encouraged the Embassy to continue nominating "people that are for change," but cautioned that

ideally candidates "should have a strong independent political base" to protect them from spurious charges. He conceded most GOB supporters did not meet this prerequisite.

Still a True Believer

¶9. (C) Despite the high professional cost of the trip, VM Morales remains a true believer in the MAS' "change agenda." He said he may have lost confidence in "certain MAS leaders, but they only exposed that they are not really the MAS." I have not changed my dedication to the MAS principals, they (Quintana, Orellana, and Choquehuanca) have." After handing out a suitcase full of pocket MAS constitutions during his trip, VM Morales is especially bitter that "while I was working to defend this government in the United States, they were working to destroy me in Bolivia."

Suspicious Minds: Past Harassment of PAS Programs

¶10. (C) Unfortunately, VM Morales is not the first casualty of MAS paranoia regarding our PAS programs. CSUTCB (Agricultural Union) President Rufo Calle was roundly criticized last year for selling out to the "empire" by participating in an IV program. Since late 2007, the Ministry of Finance has repeatedly demanded we provide the names, ID numbers, addresses, and program agendas of our IV and scholarship participants to the GOB. President Morales also accused our Peace Corps and Fulbright scholars of being spies and the GOB stopped providing long-term courtesy visas for all PAS program participants in 2008 (reftel). Contacts in the Ministry of Finance confirm that the GOB is not requesting this information for program participants sponsored by other countries.

Comment:

¶11. (C) MAS moderates are understandably increasingly skittish about engaging with us. The IV scrutiny is only part of a larger government penchant for suspecting anyone associated with the Embassy or any of our programs of being nefariously under our control. Quintana seems an odd choice for accuser-in-chief, given his military training experiences at the School of the Americas. Never-the-less, as far back as August 2007, Minister Quintana warned that "traitors" working with the United States would be "judged" by history (reftel). End Comment.

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